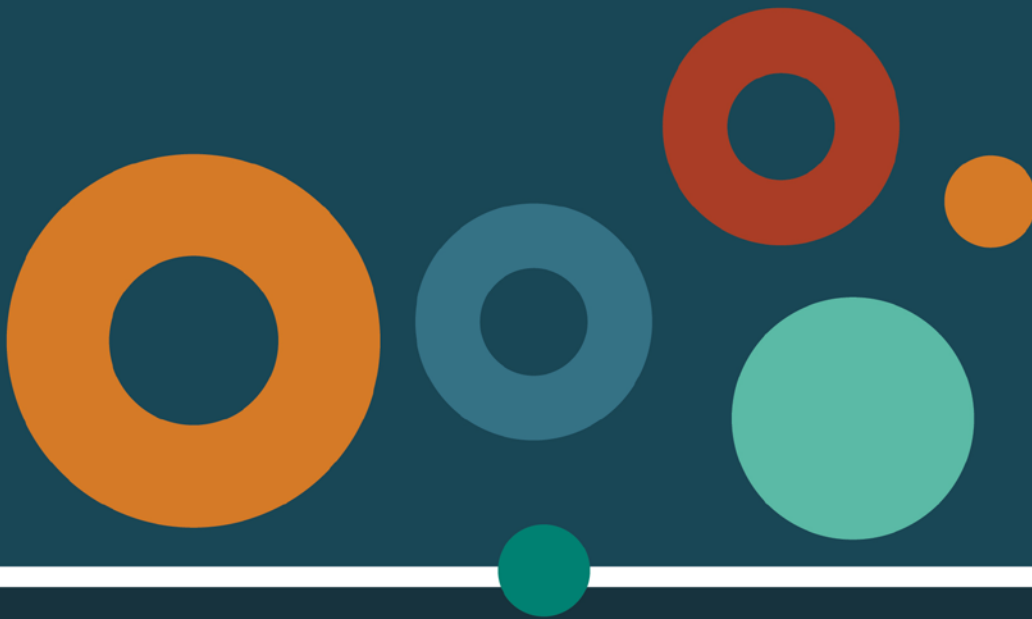


Moreton Water Plan statutory instruments

Consultation summary

March 2020



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Acknowledgement of the Traditional Owners of the Moreton water plan area

The Department of Natural Resources, Mines and Energy acknowledges and pays respect to the Traditional Owners in the Moreton area of Queensland. The contributions of earlier generations including the Elders, who passed on their knowledge of natural resource management, are valued and respected. The department acknowledges that the Traditional Owners of this region have a deep cultural connection to their lands and waters and that there is a need to recognise Traditional Owner knowledge and cultural values in water planning.

Foreword

I am pleased to advise the Water Entitlement Notice, Water Management Protocol, Resource Operations Licence and Operations Manual have been finalised for the Central Lockyer Valley water supply scheme. These statutory instruments support the implementation of the Water Plan (Moreton) (Supply Scheme Arrangements) Amendment Plan 2019 which was finalised by the Minister for Natural Resources, Mines and Energy in December 2019. This report has been prepared to inform stakeholders and the broader community of my considerations in finalising these documents.

Thank you to those who have been part of this process and to those who took the time to attend meetings and workshops, and those who lodged a submission on the draft documents.

The finalisation of these statutory instruments would not have been possible without the invaluable input from the community particularly the executive committee representatives from the Lockyer Water Users Forum, local water users, Lockyer Valley Regional Council and Seqwater.

While this concludes the formal water planning process, Seqwater will now take the lead in partnership with water users and the department to implement the water plan over the next few years. This means that we will work together to better understand groundwater resources in the area so that water users have certainty about their share of the resource and a water market that will drive new growth opportunities in the valley.

The statutory instruments reflect the business needs and interests of the community and this could not have been possible without the collaborative spirit shown by the people of the Lockyer Valley.

David Wiskar

Executive Director Water Policy

Introduction

The Queensland Government recently sought industry and community feedback on finalising the draft statutory instruments for the Central Lockyer Valley water supply scheme needed to implement the Water Plan (Moreton) (Supply Scheme Arrangements) Amendment Plan 2019 (final water plan amendment):

- Water Management Protocol Amendment (draft protocol)
- Water Entitlement Notice (draft WEN)
- Resource Operations Licence (draft ROL)
- Operations Manual (draft operations manual).

Public consultation on these documents opened 14 August 2019 and closed on 1 October 2019. In total, 25 submissions were received.

These draft documents have now been finalised by the chief executive.

The consultation process for the water plan amendment and the department's response to feedback were addressed in the Minister's consideration report, which was published 13 December 2019 alongside the final water plan amendment.

This report summarises how feedback was addressed in finalising the draft statutory instruments.

What we heard

Draft Water Management Protocol

1. Draft water management protocol provisions

Chapter 2 of the draft water management protocol provides for the management of unallocated water in the Cabbage Tree Creek and Lower Brisbane River sub-catchment areas.

Issues raised

One submitter supported a reserve of unallocated water to allow not-for-profit organisations and small-scale enterprises to access surface water as an alternate water source where that alternative is proven to be environmentally and economically sustainable.

The submitter also requested that appropriate conditions be placed on new entitlements granted from unallocated water reserves to protect baseflows and minimise negative impacts to biodiversity and ecological function of local creeks.

The submitter also requested that adequate monitoring of flow conditions occur in local creeks within those sub-catchments.

Considerations and finalised provisions

The final water management protocol retains the chief executive's considerations for making unallocated water available from the general or strategic reserve. Prior to the release of unallocated water, the chief executive may consider matters relating to the environmental and economical sustainability, water quality and any other relevant matters.

The department does collect surface water flow monitoring data, and some limited water quality data (electrical conductivity, pH, turbidity, dissolved oxygen) from a network of monitoring sites throughout the Moreton catchment. This predominantly quantitative data, is collated and used in the planning processes.

2. Water allocation dealing rules

Chapter 3 divisions 4 and 5 of the draft water management protocol provided the water allocation change rules for medium priority surface water and groundwater allocations and the nominal volume limits for this priority group in each zone.

The draft operations manual provided the rules for the seasonal assignment of groundwater allocations.

Issues raised

One submitter supported temporary and permanent water trading whilst another submitter did not support water trading.

One submitter proposed a requirement that an entitlement holder own property in the benefitted area before the transfer of a water allocation could occur.

One submitter agreed with temporary trading and that low priority water allocations should not be sold on a permanent basis.

Considerations and finalised provisions

The identification of trading zones facilitates the movement of water entitlements within zones either permanently or seasonally to provide flexibility for water users. Permanent trading of water allocations involves the permanent transfer of a water allocation to someone else, similar to the sale of a land title. If you buy or sell a parcel of land, the sale will not automatically include the water allocation. This is because the creation of water allocations has separated the land and water rights into different titles.

The decision to trade all or part of a water allocation is up to the holder of that allocation.

The final protocol retains the water allocation change rules that allow permanent trading of medium priority surface water and groundwater allocations within a zone but not outside a zone at this time.

The trading rules in the water management protocol provide safeguards that help ensure low priority groundwater allocations remain attached to the farm. This approach is in response to concerns raised by irrigators about water being permanently traded away from good agricultural land. However, the operations manual retains the provision allowing the seasonal trading of low priority groundwater allocations within the same zone only.

The safeguard for permanent trading is delivered through the low priority water allocations listing the parcel/s of land as their 'place', so any changes that occur to that parcel (i.e. a new land title description as a result of buying, selling, subdividing or amalgamating a property) also need to be reflected on the low priority groundwater allocation. You may need to buy, sell, subdivide or amalgamate this water allocation at the same time as a property transaction if you are wanting to participate in the water market. Being aware of this safeguard will avoid landholders creating 'dry' blocks or stranding water allocations. It is highly recommended that you contact the department prior to undertaking any land dealings.

Increased flexibility for trading will be considered when the water plan is reviewed by 2026 informed by improved water use and monitoring data, as well as strengthened hydrologic modelling.

The nominal volumes of water that are allowed to be traded within each zone have been updated to reflect the changes to the final WEN as a result of issues raised in submissions about the draft WEN.

3. Other amendments to the draft water management protocol

Ongoing consultation with other key stakeholders has resulted in further monitoring requirements for the chief executive. In particular, collect and analyse relevant information about groundwater in groundwater unit 1 in implementation area 1 outside the water supply scheme boundary (non-benefitted area). Seqwater is responsible for collecting the same information within the scheme boundary. The information to be collected includes:

- trends in the levels of groundwater
- volume of groundwater used
- recharge characteristics of the groundwater
- quality of the groundwater.

This new provision implements the new measure in the final water plan.

Draft Water Entitlement Notice

1. Draft water entitlement notice provisions

The draft WEN provided for the conversion of existing surface water and groundwater entitlements to water allocations in accordance with the provisions in the draft water plan amendment.

For each groundwater allocation, the draft WEN stated that the irrigable area was the total sum of preliminary irrigable area and additional irrigable area (section 84K of the draft water plan amendment).

The methodology for calculating the nominal volume was outlined in sections 84E and 84F of the draft water plan amendment.

The draft water plan amendment also provided for submitters to apply for additional irrigable area not stated on an existing entitlement to be considered as irrigable area (section 84M). This policy position acknowledged that irrigation had over time extended into new farming areas.

The draft water plan amendment (section 84D) also stated the nominal volumes for water allocations for water licences held by particular regional councils.

Issues raised

Three submitters applied to increase their irrigable area by using the separate additional irrigable area submission form. After seeking clarification on the irrigable area provisions in the draft water plan a fourth submitter also requested an increase in their irrigable area.

Considerations and finalised provisions

Two submissions seeking a change to the preliminary irrigable area were consistent with the methodology outlined in section 84L of the draft water plan amendment and the total irrigable area (and the submitter's nominal volume) were increased accordingly in the final WEN.

Two submissions that applied for additional irrigable area met the criteria outlined in section 84K of the draft water plan amendment so their total irrigable area (and nominal volume) were increased accordingly in the final WEN.

One submission was referred to an independent referral panel for consideration and advice. The panel, having visited the property to see the land first hand, recommended that the majority of the additional irrigable area applied for be included in finalising the nominal volume. The panel's recommendation was adopted in the final WEN and the submitter's nominal volume has been updated accordingly.

One submitter did not meet the criteria for additional irrigable area outlined in section 84K and no changes were made to this submitter's water allocations in the final WEN.

One submitter requested an increase in the nominal volumes of their proposed water allocations to ensure sufficient water supplies that support community recreational facilities, road construction and maintenance, as well contingencies for managing risks resulting from continued or worsening drought conditions. The final water plan amendment (section 84D) provides the head of power to grant these entitlements and the final WEN has been updated accordingly.

2. Other changes to the draft water entitlement notice

Ongoing consultation with water users has resulted in other changes in the final WEN.

A new high priority surface water allocation for 185ML will now be granted to Seqwater to take surface water for distribution loss purposes for Morton Vale pipeline in accordance with the volume and purpose stated on the current Interim Resource Operations Licence for the scheme. This oversight was corrected in the final water plan amendment so the final WEN must be amended accordingly.

To support improvements in scheme efficiencies, the final water management protocol allows for Seqwater to convert this distribution loss allocation to another purpose and traded on the market. To do this, Seqwater will need to demonstrate that they hold sufficient residual allocation to cover any losses in supplying water to its Morton Vale customers.

Due to a historical administrative error, a water user was incorrectly issued a non-benefitted licence for land and works that are within the scheme boundary (benefitted area). The final WEN has been amended to correct this error and include this land within the total irrigable area on the proposed groundwater allocations. The nominal volumes for the proposed groundwater allocations have been increased accordingly in the final WEN. We will work with the entitlement holder to repeal the existing non-benefitted water licence when the final WEN is approved.

Other updates to proposed water allocations stated in the final WEN are:

- land dealings (i.e. subdivisions, amalgamations or changes in ownership) that have occurred since the draft WEN was released
- changes to the tenancy type and share of the water allocation at the request of proposed water allocation holders.

The final WEN also retains the 'place' as an attribute on a low priority groundwater allocation. At the commencement of the final WEN, all land within the scheme that is currently authorised to be irrigated (either by being stated on an existing entitlement or being approved as additional irrigable area through this submission process) is referred to as a 'place' on a low priority groundwater allocation in the final WEN. This helps to manage stakeholder concerns about good quality agricultural land becoming abandoned by having insufficient entitlement to water.

Draft Resource Operations Licence

No feedback was received on the draft resource operations licence.

Draft Operations Manual

1. Draft operations manual provisions

The draft operations manual only provided proposed water sharing rules for surface water allocations within the Central Lockyer Valley water supply scheme and did not have any provisions for water sharing rules for low and medium priority groundwater allocations as these rules were to be developed in consultation with the Lockyer Water Users Forum, entitlement holders and Seqwater, during the public submission period. Six workshops (one for each groundwater zone) were held during this submission period. Three further workshops were held with key representatives from the Lockyer Water Users Forum, Seqwater and other water users after the close of submissions to further refine these rules.

Issues raised

Seven submitters raised issues in relation to the calculation and setting of announced allocations for surface water and groundwater, as well as flexible accounting, including:

- the surface water rules should provide for streamflow access
- the rules need to recognise differences in use across the different zones
- concerns about the use of monitoring bores to set water sharing rules and how representative they were of water levels in each zone
- support for flexible accounting across multiple years including forward draw and carryover
- support for conjunctive use and the ability to transfer water allocations between groundwater and surface water
- support for setting the announced allocation for groundwater at a minimum of 40 per cent.

Considerations and finalised provisions

The final operations manual now includes water sharing rules for groundwater allocations. These rules were developed in consultation with representatives from each of the groundwater zones, the Lockyer Water Users Forum and Seqwater. There are new announced allocation processes for both surface water and groundwater which apply from 1 April 2020. The water sharing rules ensure that the announced allocation cannot fall below 40 per cent.

Before setting a surface water announced allocation for the water year, Seqwater will undertake an assessment of the water level in five representative bores to determine underground water recharge effectiveness. Each of the five bores has a nominated high / low threshold. If water levels in at least three of the five bores is above their nominated thresholds, then water levels are deemed to be high. If water levels in at least three of the five bores are below the nominated thresholds, then water levels are deemed to be low and either at or approaching critical levels.

This high / low groundwater level is then used as part of the assessment process for determining the surface water allocations. Surface water allocations are determined based on a proportion of the useable volume available in both Lake Clarendon and Lake Dyer. The volume of water available for

surface water users is determined once other demands have been satisfied, including Morton Vale allocations and reserve volume, and groundwater recharge. Using an iterative process, supply for surface water allocations can alternate during a water year from either Lake Clarendon or Lake Dyer, in order to provide a balanced supply.

An alternative water sharing rule for Morton Vale allows water in the pipeline to be made available for use when the announced allocation is zero. There will be separate announced allocations for medium priority groundwater and low priority groundwater allocations.

For low priority groundwater allocations, the announced allocation will be set at:

- 100 per cent if groundwater levels in zone are above critical levels and unlikely to drop to the zone's critical level within 18 months
- 60 per cent if groundwater levels in zone are above critical levels and likely to drop to the zone's critical level within 18 months
- 40 per cent if groundwater levels in zone are at the critical level.

For medium priority groundwater allocations, the announced allocation will be set at 80 per cent if groundwater levels in zone are above critical levels and likely to drop to the zone's critical level within 18 months.

The rules will be reviewed at the five year review when a new groundwater hydrological model is developed to inform the water accounting process.

The final operations manual also provides for forward draw but includes complementary safeguards to manage any risk of adverse impacts on the resource. The maximum total forward draw that a water allocation holder can make available for each allocation in a water year must be not greater than 20 per cent of the nominal allocation volume. Forward draw is only available during the last six months of a water year.

Other options for flexible water accounting including carry over, multi-year accounting of water use and conjunctive use will be considered at the five year review of the water plan.

2. Operating rules

The operating rules for infrastructure in the Central Lockyer Valley water supply scheme were provided in the draft operations manual.

Issues raised

Four submitters raised issues in relation to operating rules within the scheme. The submissions recommended:

- ensuring small gates at the bottom of Glenore Grove weir are opened in dry or low flow water situations so water can flow to Kentville Weir
- putting surface water back into the creek for groundwater recharge rather than store in the dams
- inclusion of greenhouse gas emission estimates when operating infrastructure
- maintaining flows as much as possible to reduce the likelihood of blue green algae blooms.

Considerations and finalised provisions

Under their resource operations licence, Seqwater is required to undertake specific monitoring and reporting requirements related to scheme performance. This is intended to promote a good regime of

maintenance of works that promote effective groundwater recharge to assist in maximising the scheme's performance.

Seqwater recently performed maintenance work to:

- improve flows to Redbank Creek thus improving the water harvesting ability during flow events
- improve scheme performance and recharge on Clarendon and Kentville weirs.

Seqwater will continue to work with the department on the most appropriate approach to the desilting of the weirs in the Lockyer Valley and further investigate the potential for larger scale desilting works. All of this work will be done in accordance with state and commonwealth environmental regulation and approvals processes.

The Moreton Water Plan expires in 2026 and will be reviewed and replaced at or before the expiry. This review will be informed by accurate water metering and a new groundwater hydrological model presenting an opportunity to further explore issues associated with scheme performance and any further flexibility in water trading and sharing arrangements. We will continue to partner with Seqwater and the Lockyer Water Users Forum in implementing the final water plan amendment.

Additional considerations

In consultation with Seqwater we have made a number of changes to the final resource operations licence. These changes do not impact existing users or change the policy intent of the final water plan amendment or operations manual. This includes:

- changes to provide clarity in the wording and intent of provisions
- minor changes simplifying provisions and improvements to definitions.